

Message Text

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PAGE 01 STATE 214425 TOSEC 240005

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INFO OCT-01 ISO-00 /001 R

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FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

C O N F I D E N T I A L STATE 214425 TOSEC 240005

NODIS

WHITE HOUSE PLEASE PASS SECRETARY AT CAMP DAVID

E.O. 11652: GDS

TAGS: MASS SA

SUBJECT: ACTION MEMORANDUM: SIDEWINDERS AND MAVERICKS

FOR SAUDI ARABIA (S/S NO. 7618292)

FOR THE SECRETARY FROM MCCLOSKEY

THE PROBLEM:

1. THE SFRC WANTS YOU TO REDUCE THE NUMBERS OF SIDEWINDER
AND MAVERICK MISSILES PROPOSED FOR SAUDI ARABIA.

BACKGROUND/ANALYSIS:

2. AMBASSADOR PORTER HAS WEIGHED IN STRONGLY IN OPPOSITION
TO ANY FURTHER REDUCTION IN THE NUMBER OF SIDEWINDERS AND
ANY CUT IN THE MAVERICK PROPOSAL. HE PUT THIS IN THE
CONTEXT OF ANTI-BOYCOTT LEGISLATION, OPEC PRESSURES, AND
THEIR EFFECT ON SAUDI DEVELOPMENT PLANS. HE EMPHASIZED
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PAGE 02 STATE 214425 TOSEC 240005

THE DIFFICULTY OF GOING BACK AGAIN TO THE SAUDIS ON

SIDEWINDERS.

3. IN CONSIDERING OUR NEXT STEP, WE WILL ALSO NEED TO TAKE INTO ACCOUNT THE KEY ROLE SAUDI ARABIA WILL PLAY IN THE SCALE OF THE LIKELY OPEC PRICE INCREASE THIS WINTER IN VIEW OF SHARPLY RISING US AND WESTERN WORLD OIL CONSUMPTION AND THE THREAT OF ACTUAL OIL SHORTAGES IN 1977.

N. DOD INFORMS US THAT IT IS PREPARED TO JUSTIFY THE FULL MAVERICK PROPOSAL FOR SAUDI ARABIA USING THE MOST STRINGENT STANDARDS POSSIBLE. ALL MAVERICKS FOR SAUDI ARABIA INCLUDING THE L000 PREVIOUSLY SOLD, WILL COME FROM USAF STOCK. DELIVERIES OF 100 PER MONTH FOR THE PREVIOUS SALE WILL START IN JANUARY AND END IN OCTOBER 1977. DELIVERIES ON THE SALE NOW BEING CONSIDERED COULD START THEREAFTER. DEFENSE SAYS IT CAN ACCEPT A REDUCTION TO L000 ON THIS NEW PURCHASE, BUT IT CANNOT ACCEPT A HIATUS SINCE THE PAYMENTS FROM SAUDI ARABIA WILL BE USED TO PURCHASE THE IMPROVED MAVERICK FOR THE USAF, AND INTERRUPTION OF THE PRODUCTION LINE RESULTING FROM THE LOSS OF FUNDING DURING THE HIATUS WOULD CAUSE UNACCEPTABLE DELAYS IN DELIVERY TO THE USAF AND AN ESTIMATED DOLS 73 MILLION IN INCURRED COSTS.

OPTIONS:

5. SIDEWINDERS

A. HOLD TO 1000. WE CAN STICK WITH THE 1000 PROPOSAL, CAREFULLY EXPLAINING TO HUMPHREY AND JAVITS THE DAMAGING COST IN OUR RELATIONS WITH SAUDI ARABIA SHOULD WE REDUCE THE NUMBER FURTHER. CASE MIGHT INTRODUCE A RESOLUTION OF DISAPPROVAL, BUT I DO NOT BELIEVE THAT IT WOULD HAVE MUCH CHANCE OF PASSAGE.

B. CUT TO 800. WE CAN ACCEPT THE PROPOSAL OF HUMPHREY'S STAFF TO CUT TO 800. THIS COULD LEAD TO SERIOUS REPERCUSSIONS IN OUR RELATIONS WITH SAUDI ARABIA, IMPACTING ON OIL PRICES, SAUDI FINANCING FOR JORDAN DEFENSE, AND LONG TERM POLITICAL PROBLEMS.

6. MAVERICKS

CONFIDENTIAL

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PAGE 03 STATE 214425 TOSEC 240005

A. PROCEED WITH 1500. WE CAN GO AHEAD WITH THE LOA FOR 1500 AND EXPECT A CONFLICT ON THIS ISSUE.

B. DELAY SUBMISSION. IN LIGHT OF ACDA'S QUESTIONING OF THE MAVERICK NUMBERS, WE CAN SIMPLY SIT ON THE MAVERICK PROPOSAL UNTIL JANUARY, USING BUREAUCRATIC DELAYS AS THE EXCUSE SHOULD THE SAUDI'S PRESS US.

C. REDUCE TO 1000. WE COULD REDUCE THE NUMBER OF MAVERICKS FROM 1500 TO 1000 AS YOU SUGGESTED. THIS WILL OFFEND THE SAUDIS AND THERE IS NO GUARANTEE IT WILL BE ACCEPTABLE TO THE CONGRESS WHICH IS PRESSING US FOR A NUMBER LESS THAN 1000.

D. REDUCT TO 800. THIS WOULD BE MORE ACCEPTABLE TO CONGRESS.

E. STRETCH OUT DELIVERY. WE CAN ASSURE THE CONGRESS THAT NONE OF THE NEW MAVERICKS WOULD BE DELIVERED PRIOR TO THE COMPLETION OF THE FIRST MAVERICK SALE OF 1000. THIS IDEA WAS SUGGESTED BY HUMPHREY'S STAFF AND CAN BE HANDLED QUITE SIMPLY. IT WAS SUGGESTED HOWEVER AS A PART OF A PACKAGE CONTAINING A FURTHER REDUCTION OF SIDEWINDERS.

F. COMBINE C AND E. WE COULD COMBINE THE SEQUENTIAL DELIVERIES OF OPTION 4 WITH A REDUCTION IN THE NUMBER OF MAVERICKS.

7. BUREAU VIEWS

H, NEA AND PM RECOMMEND OPTION F ON MAVERICKS IN COMBINATION WITH HOLDING THE LINE ON THE SIDEWINDERS. WE BELIEVE WE MUST CUT SOMEWHERE TO GAIN SENATE ACCEPTANCE OF THE PACKAGE, AND A CUT IN THE NUMBER OF MAVERICKS WILL BE MORE ACCEPTABLE TO THE SAUDIS THAN A FURTHER CUT IN THE NUMBER OF SIDEWINDERS.

8. TACTICS

SENATORS JAVITS AND CASE ARE CLEARLY CONCERNED ABOUT THE POLITICS OF THIS PACKAGE. YOU HAVE ALREADY AGREED NOT TO CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 214425 TOSEC 240005

SELL ANY ADDITIONAL CBUS TO SAUDI ARABIA THIS YEAR, A CONCESSION WHICH SHOULD BE OF SOME VALUE TO THEM. YOU MAY WANT TO TAKE THIS UP WITH THE PRESIDENT SINCE JAVITS AND/OR CASE MAY TAKE IT TO HIM DIRECTLY. SINCE JAVITS HAS TAKEN A HARD LINE ON THIS PACKAGE, I SUGGEST THAT YOU SPEAK FIRST WITH HUMPHREY BY TELEPHONE TO GAIN HIS ACCEPTANCE OF OUR PROPOSAL.

IF YOU DECIDE TO OFFER TO REDUCE THE NUMBER OF MAVERICKS AS PART OF THE COMPROMISE PACKAGE, WE SHOULD INFORM THE SAUDIS BEFORE THE COMPROMISE IS MADE PUBLIC.

9. RECOMMENDATIONS:

A) THAT WE HOLD THE LINE ON 1000 SIDEWINDERS BUT REDUCE

THE NUMBER OF MAVERICKS TO 1000 WITH DELIVERIES OF THE
LATTER NOT TO BEGIN UNTIL THE COMPLETION OF THE EARLIER
MAVERICK SALE.

APPROVE DISAPPROVE

B) ALTERNATIVELY, TO HOLD THE LINE IN BOTH AND REQUEST
1000 SIDEWINDERS AND 1500 MAVERICKS

APPROVE DISAPPROVE

C) ALTERNATIVELY TO SUBMIT 800 SIDEWINDERS AND 1500
MAVERICKS WITH A STRETCH OUT OF DELIVERIES ON THE LATTER.

APPROVE DISAPPROVE

D) ALTERNATIVELY, THAT WE SUBMIT 1000 SIDEWINDERS NOW
BUT POSTPONE SUBMISSION OF THE MAVERICKS UNTIL THE NEXT
SESSION OF CONGRESS.

APPROVE DISAPPROVE

E) ALTERNATIVELY, THAT WE SUBMIT REQUESTS FOR ONLY 800
SIDEWINDERS AND 800 MAVERICKS.

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PAGE 05 STATE 214425 TOSEC 240005

CLEARANCES: NEA - ADUBS, PM - RERICSON, S: JCOVEY

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